



Family Readiness Group Treasurer's Handbook

**For Commanders -
Family Readiness Group Chairperson(s)
and Treasurers**

Handbook 00-2

15 April 2000

WELCOME!

The work of the Family Readiness Group (FRG) Treasurer, though important, need not consume an excessive amount of time. The goal of this workbook is to welcome you to your new position with adequate support to make this position manageable for you.

The first and most important item we have to share is "THANK YOU". Your willingness to accept this responsibility is greatly appreciated!

This workbook contains information, guidance, and forms that are intended to offer you the best support possible for you to successfully accomplish your tasks.

If questions should arise, you have a number of people who can assist you:

Family Readiness Group Leaders (i.e. the "Chairperson(s)", "Secretary", etc.)

Unit Commander or their designated Military Point of Contact.

The State Family Readiness Program Coordinator (1-800-233-7758) (Phoenix Area 602-267-2593).

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CHAPTER 1

GLOSSARY OF TERMS:

The next two pages provide a Glossary of Terms to help you "TALK THE TALK" of a Treasurer. This list of terms is intended as a short summary of common terms. You may wish to identify additional terms and add them to the list.

Allowable Rate: Approved rate of reimbursement for a given category (i.e. 31 cents per travel mile).

Audit: Annual (at a minimum) review of accounting procedures and balances of an account, by an appointed committee, designated by the Unit Commander.

Cash: The treasurer should never hold cash in hand, except at times of "fund-raising" when a "petty cash" account may temporarily be established. All funds should be managed through the FRG account.

Child/Adult/Elder Care: The cost of looking after a child/adult or elder care (Government allowable rate - \$2.00 per hour per child while a volunteer attends to FRG business.)

Credit: An entry on the right side of the account.

Date: The time at which a transaction occurs.

Debit: An expense which has occurred but yet paid.

Deposit: Money deposited in a bank.

Donation: A free contribution or gift given to another organization (i.e. March of Dimes, Red Cross, the American Heart Fund, etc.) or received by a FRG. A FRG may choose to raise funds, with the Commander's approval, for a community organization that serves the best interest of service members and their families.

Expense: Cost associated with any project (i.e. supplies, equipment, material, etc.)

Family Assistance: A Unit and/or FRG response or referral or direct help to an individual or family in need.

Family Readiness Group: An officially sanctioned organization of officer and enlisted personnel and their family members (spouses, children, parents, brother, sister, boyfriend, girlfriend, significant other, etc.) that uses volunteers to provide information and comprise a support network to provide information and comprise a support network to prepare families for times of separation due to mobilization.

Fund-raising: A Commander-approved FRG activity to raise funds or increase the FRG account balance.

Income: A gain or recurrent benefit. A measure of money derived from fund-raising, donations, etc.

Other: The column or term "other" requires an explanation concerning what it refers to.

Payee: One to whom money is to be paid.

Point of Contact (POC): A unit member that the Commander appoints as their representative.

Professional Fees: The expense connected with the services received from a professional such as an accountant, lawyer, etc. Also the cost related to paying for a person to teach a class or workshop.

Security: Reasonable measures taken to assure that FRG funds are not accessible to unauthorized persons.

Volunteer Agreement: A State Form (State FRG Handbook, Appendix K) signed by every FRG member, indicating their understanding that the services and support are voluntary and not for pay. Signing this form confirms the legal designation of VOLUNTEER.

Volunteer Reimbursement: Reimbursement consistent with allowable rates guidance, based upon completed request and verifiable by receipt, i.e. telephone, travel, child/adult/elder care, etc. (It is intended to reimburse only the management FRG (i.e. Unit Chairperson(s), Secretary, and Treasurer).

Voucher: A form used to document a transaction.

CHAPTER 2

FAMILY READINESS GROUP BANK ACCOUNTS

The Family Readiness Group Bank Account Status:

Arizona National Guard units are encouraged to open and manage all FRG bank accounts under the IRS status of "Banking Purposes Only". To qualify for this status, the Treasurer or Chairperson must complete IRS Form SS4. It should be noted that banks will not open an account for your group until you have obtained an Employer Identification Number (EIN). A sample of a completed IRS Form SS4 can be found in Appendix R. After you have obtained the EIN, please ensure that you safeguard your EIN. Do not allow any individual to use this number for any other purpose. A completed sample and a blank copy are included with this handbook.

The EIN is not a "not for profit" identification. FRGs are not allowed to submit for a "not for profit" status.

No FRG account should ever be opened using personal banking account information. Such an action might subject that person to registering the FRG income as personal income.

Opening The Bank Account:

The Treasurer, with the EIN number in hand, along with FRG Chairperson, will go to a local financial institution to open a non-interest-bearing checking account.

A non-interest bearing "Military Account" will often be free of service charges.

The signature card should reflect the signature of the Treasurer, FRG Chairperson, and at least one other approved member (family members) of the FRG. The Unit Commander, the Military Point of Contact (MPOC), or any other military member should not hold signature authority.

Checks, which are ordered, should allow for multiple signatures.

The Checkbook:

The Treasurer holds/secures the checkbook on behalf of the FRG.

The Treasurer assures:

Receipts are kept for all applicable transactions before writing checks.

Distributes the volunteer reimbursement form to all FRG members and assures that these forms are completed and FRG approval is given and recorded by the Secretary before any reimbursement check is written.

The FRG Treasurer writes checks in response to the will and intentions of the FRG with accountability to the Unit Commander. The following conditions apply BEFORE any check is written:

The FRG, at a duly constituted meeting, votes to spend FRG funds for a specific purpose and to a specific agency, person or business. The Secretary records all actions in the FRG minutes (all minutes should be dated and signed by the Secretary). Minutes and treasurer reports will be given to the MPOC for filing in the unit files under The Modern Army Recordkeeping System, (MARKS) Army Regulation 24-400-2, File category (608) and kept on file for five years (Army units only). Air units will use Air Force guidance for filing and disposition of records.

Obtains second authorized signature after the check is written.

THE CHECKBOOK:

The checkbook register provides a means of tracing the date, check number, description of the check, debit, credit, and balance of the FRG account.

Keeping a checkbook register current allows a ready reference for all transactions and an easily identified account balance.

Banks provide guidance for the balancing of the checkbook. The (*) section allows verification that each check has cleared. The total amount of outstanding checks, all fees imposed, and interests gained need to be considered in determining a proof of balance consistent with the bank balance.

PROCESS OF PAYMENT:

The Treasurer assures:

All debits incurred by the FRG are paid in timely matter.

The FRG does not assume liabilities that exceed its assets.

That the FRG account balance does not exceed \$1,000.00 unless the Commander has provided written approval for an exception program or event (see Sample Commander Approval Letter Appendix S). If the Commander provides a special approval for funds that exceed the \$1,000.00 ceiling, the Treasurer should assure that those funds are spent not later than thirty days from the day the event is held.

FRG must not develop the mindset of holding money in the FRG account just for a rainy day. The reason for fund raising activities is to conduct programs, activities and training for unit family members to prepare them for times of separation due to mobilization. Putting money in an "old sock" and just keeping it there is NOT the function or goal of the FRG.

That the FRG approaches Family Assistance with the following in mind:

Consistency for any and all Family Assistance support given within the unit.

The support given to one family should be available to all families (i.e. a package of groceries; a tank of gas; etc.). In our volunteer training courses, we have used the analogy of the "sausage factory" where each link they produce has similar appearance to all others they produce.

If family assistance is equitable, then FRG and Unit moral will not be negatively impacted. Direct cash payment is, most often, avoided. Family Assistance Care should write checks directly to the vendor providing the services, not to the individual.

FRG funds are NEVER used for personal loans!

The Treasurer, where possible, assures that the FRG has included all expenditures in their projected FRG budget. Though a budget is not a requirement, it could prove helpful in identifying the programs, activities and training that the FRG has in mind as they set about fund- raising. It may also assist the Treasurer to know the FRG's plan for spending money in a given year.

The Treasurer presents all bills and requests for reimbursement, along with appropriate receipts and documentation, to the FRG at a formal meeting. The FRG reviews, discusses, and votes on the payment of the bills and reimbursements. The FRG Secretary records the minutes of the meeting, with current date and signature, and keeps it on file with other FRG minutes.

The Treasurer writes the checks, and at a minimum, secures one other authorized signature before delivering the check to the person or business with which the debt has been incurred.

The Treasurer records all checks written in the check registry and as a part of the quarterly, periodic or annual report.

CLOSING AN ACCOUNT:

Once a FRG has filed an SS4 form with the IRS, gained an Employers Identification Number, and an account has been opened, every effort should be made to keep it open.

If a prolonged period of inactivity within the FRG should occur (family members are no longer involved), the Commander may secure the account until a new FRG may be formed rather than close the account each time such inactivity may occur.

Every effort should be made to re-establish the FRG as soon as reasonably possible, along with the names of the new Treasurer and the new authorized signatures placed on the signature card at the financial institution where the account was opened.

Until the FRG is re-established, care must be taken to assure that the FRG checkbook is secure.

Previously approved account signatures should be removed from the account card at the bank. New signatures for this account should only be that of unit family members.

It is important to realize that this account should not become “the Commander’s account” or that of the Commander’s MPOC. These funds are intended for, and should be managed by, FRG members for the purpose of preparing unit families for mobilization.

If the Commander becomes aware of mismanagement of the FRG account, rather than closing the account, new FRG members should be found to fill the Treasurer position and any other FRG leadership position that may have been involved. A Memorandum for Record will be given to the MPOC for filing in the unit’s files MARKS files, under file category (608a) (Army units only). Air units will use Air Force guidance for filing and disposition of records.

The Commander may face a decision, at that time, concerning the notification and involvement of appropriate legal authorities. An internal investigation should first be completed to determine the facts of the matter before any such action is taken.

If a unit is TRANSITIONING:

Members of the former FRG may rename their group to align with the new unit or new members within a new FRG may agree upon a new name. When a new name is decided upon, the IRS should be notified. The old tax ID number and the new name information should be sent to:

IRS
(ATTN: Entity Control)
Cincinnati, OH 45999
(Phone: 606-292-5467)

Commanders should seek coordination and support from the State Family Readiness Coordinator, if it is thought that a FRG account needs to be closed and the tax ID number surrendered.

CHAPTER 3 FINANCIAL REPORTS

Financial reports are prepared for the following reasons:

To keep the commander and the FRG members informed of the current status of the FRG account.

To provide documentation for FRG account activity that can be presented for audit.

To create a record of FRG accounting activity.

Quarterly reports are due within 15 days following the end of the quarter. (1 Oct-1 Jan-1 Apr- 1 Jul). See Appendix R for sample format.

WHO RECEIVES THESE REPORTS?

The original copy of all reports is given to the unit Commander.

Copies are provided to the FRG leadership: Chairperson, Vice-Chairperson, Secretary, and members of the FRG. A blank copy of the Quarterly Report Form is in Appendix R.

A copy is also sent to the State Family Readiness Coordinator at:

Arizona National Guard
ATTN: AZAA-PRF
5636 East McDowell Road
Phoenix, Arizona 85008-3495

CHAPTER 4

FAMILY READINESS GROUP FUND-RAISING

GENERAL INFORMATION:

FRG members may participate in fund-raising activities as long as accounting procedures are established and followed.

Before the fund-raising activity takes place, the following steps should be followed:

Secure a letter of approval from the Commander (see Appendix U).

A minimum of two key persons should be designated as responsible to account for FRG funds.

During the fund-raising activity:

Count and verify (by signature) the amount of money established in a “kitty” (initial cash fund).

Count and verify (by signature) each day’s receipts.

Secure FRG funds during the time of the fund-raising activity.

Funds/accounting documents and receipts to the FRG Treasurer with each days fund-raising activity.

FUND-RAISING OBJECTIVES:

- Raise money for planned activities/programs (see Appendix V).

- Create awareness of FRG purpose, goals etc.

- Gather more volunteers to the ranks.

- Gather new ideas for future programs.

- Solidify credibility in community.

- Educate public and unit members.

“NOT-SO-GOOD” IDEAS:

Events which that endangers participants.
Events occurred too often.
Poorly organized events.
Raising money without a clearly identified need.
Trying to force an idea down the throats of others.
Events associated with previous bad history.
Appeals based on misinformation, or guilt.
Events which invade the privacy or dignity of others.

CHAPTER 5

AUDITS

WHAT IS AN AUDIT?

An Audit is an examination and verification of a Family Readiness Group account.

WHY HAVE AN AUDIT?

An audit is performed for the following reasons:

Supports the Treasurer by documenting the accuracy and truthfulness of their efforts. The expression “above reproach” can suggest that all challenges to proper FRG accounting by the Treasurer can be met with objectively produced auditing reports.

To provide the Commander assurance that the FRG account is being properly managed.

Maintain a level of accountability with all FRG members.

WHAT IS THE PROCEDURE FOR AN AUDIT?

FIRST STEP: In the month of September, the FRG, through their Unit Point of Contact, requests that the Commander appoint an auditing committee (see the Commander Appoints Audit Committee form Appendix Y).

SECOND STEP: The FRG Treasurer presents the checkbook and accounting documents and the FRG Secretary presents the minutes to the auditing committee.

THIRD STEP: The auditing committee meets, reviews the information presented to them, and prepares the Annual Audit Report (see Appendix Z-1). Discrepancies and/or recommendations should be recorded on a separate memorandum and attached to the Annual Audit Report form. This report should be completed no later than October 20.

FOURTH STEP: The audit committee completes their report, giving the original copy to the Commander, with copies furnished to the FRG Treasurer, Chairperson, and Secretary, and the State Family Readiness Coordinator. The audit committee returns all accounting records and the checkbook to the Treasurer and the minutes to the Secretary.

FIFTH STEP: If there are no discrepancies, the report should be filed. If discrepancies are found, the matter should be resolved in direct consultation with the Commander and the FRG leadership. The Commander has the final word in such matters. If discrepancies or concerns are serious enough, the Commander may choose to secure the checkbook and request the resignation of the Treasurer. Such action applies only in a “worse case” situation.

WHAT AUDIT FORMS ARE PROVIDED?

Commander Audit Committee Appointment Form (Appendix Y) - Used with the Annual Report Form (Appendix Z-1)

Annual Report Form (Appendix Z-1) - Used by the Audit Committee

Transitional Audit Committee Appointment Form (Appendix Z-2) - Used when changing Treasurer's.

Transitional Audit Report Form (Appendix Z-3) - Used by Audit Committee

Mobilization Audit Committee Appointment Form (Appendix Z-4) - Used during the time a unit is mobilized.

Mobilization Audit Report Form (Appendix Z-5) - Used by the FRG Audit Committee

CHAPTER 6

VOLUNTEER TAX BENEFIT INFORMATION

VOLUNTEER DEDUCTIBLE EXPENSES:

Volunteers are strongly encouraged to keep track of their volunteer service by using the State Community Service Volunteer Daily Time Record. See State FRG Handbook, Appendix L.

Such record keeping may seem difficult, but it can assist in providing a basis for appropriate volunteer recognition and background documentation for expenses to be claimed when filing your income tax.

Volunteers, who are interested in registering their volunteer hours as an Internal Revenue Service (IRS) deductible expense, are strongly urged to keep their Time Record current. A diary of any expenses incurred during the time of volunteer service, *for which they do not receive reimbursement*, should also be kept. Retain any receipts, canceled checks, vouchers, and similar documents related to volunteer expenses. These documents will be needed to support your claim for a volunteer expense deduction.

If you itemize your deductions on the Federal Income Tax return, you may receive credit for contributions you may have made in your volunteer service to any charitable, nonprofit, tax-exempt organization that fits the guidelines required by the Internal Revenue Service (IRS). Deductions are allowed for contributions to qualified charitable, nonprofit, tax-exempt organizations of cash (including checks, money orders, credit cards), property, and non-reimbursed, out-of-pocket expenses. If you have any questions, please consult with an accountant or a local IRS representative.

The following information is offered as a reference of possible deductible, non-reimbursed out-of-pocket expense:

Examples of deductible expense:

Explanation:

Transportation

Mileage, 32 cents per mile, to and from place of volunteering and while away from home. Remember, deductions also include parking toll fees.

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| Meals and Lodging | Included while performing volunteer services away from home and while attending a conference as a representative away from home. Food that you provide in performing volunteer service. Luncheon, dinner and theater tickets, if you pay more than the usual price. The excess may be able to be deducted as a contribution. |
| Uniforms | Cost and upkeep of a special uniform you wear only while performing charitable services. |
| Telephone Calls | Local and toll calls made on behalf of charitable organization. |
| Stationery and Postage | Cost of printing stationery, duplicating and mailing. |
| Craft Supplies | All supplies used in publicity, training, etc. |
| Equipment | Special equipment used solely in volunteer work such as a calculator. |
| Dues and Fees | If they exceed the monetary value of any benefit and privilege you receive from the organization. |
| Gifts | Used for charitable purposes. |
| Contributions | Any you make in the name of or on behalf of another person as long as it is you who actually makes the payment. |
| White Elephant Items | The fair market value of these items. |

All of the above may apply only if reimbursement has not been provided.

Examples of items you MAY NOT deduct:

The value of your time.

Any expenses in attending a conference where you are not a chosen representative.

Travel meals and lodging or other expenses for your spouse or children.

Personal expenses for sightseeing.

As with all deductions, it is important that those related to volunteering be adequately documented. Organizations and agencies can assist their volunteers by providing some type of form for this purpose - a meaningful type of recognition in and of itself, such as a “tax sheet” or “expense sheet” should include:

The date the expense is incurred.

The organization/agency/government unit for which the person volunteered.

The type of expense incurred.

The mileage’s cost calculation, if appropriate (1 mile x allowable rate).

The total dollar amount of the expense.

The verifying signature of an agency supervisor (if possible).

For programs utilizing large numbers of volunteer drivers, separate “mileage forms” can be developed to help volunteers keep track of their expenses in a systematic way.

IRS Publication Number 526 provide a complete description of federal tax deductions for volunteers.

Examples of qualifying organizations:

United States (including Armed Forces)
State, City, and County Agencies
District of Columbia Agencies
United States Possessions
Military Family Service Programs and Museums (i.e. Army Community Service, Air Force and Navy Family Programs and Post Museums)
Family Service Associations
Salvation Army
American Red Cross
United Way Campaign
YWCA
YMCA
Girl Scouts
Boy Scouts
Churches and Synagogues
Nonprofit hospitals and schools
Research organizations and medical assistance agencies, (i.e. cancer, heart, kidney, cerebral palsy, diabetes, multiple sclerosis and leukemia.)